



# **ARIZONA FIRE & MEDICAL AUTHORITY**

## **BUDGET AND FINANCE COMMITTEE**

### **MEETING MINUTES**

**Tuesday, July 21, 2020**

### **MINUTES**

**1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Committee Chairperson Miller called the meeting to order on Tuesday, July 21, 2020, at 2:00 p.m. at the **Arizona Fire & Medical Authority Administrative Office, 18818 N. Spanish Garden Drive, Sun City West, Arizona 85375. The meeting was held telephonically.**

Members Present: Committee Chairperson Dawn Miller and Committee Member John Crawford

Members Absent: Committee Member Diane Price

Staff Present: Fire Chief Rob Biscoe, Assistant Chief Mary Dalton, Assistant Chief Chris DeChant, Division Chief Brad Puckett, Finance Manager Diane Goke, Administrative Manager Deborah Musselman, and Authority Clerk Dusty Christopherson

Legal Counsel: None

Public Comment: None

Media Present: None

Guests Present: North County Fire & Medical District Board Member Richard Bookie

**2. REGULAR BUSINESS**

A. Approve Budget and Finance Committee Meeting Minutes of June 16, 2020.

**Committee Chairperson Miller moved that the Budget and Finance Committee Meeting Minutes of June 16, 2020 be approved. Committee Member Crawford seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Crawford, Miller

NAYS: None

ABSENT: Price

B. Review South County Fire & Medical District, North County Fire & Medical District, and Arizona Fire & Medical Authority Financial Reports for June 2020.

Diane Goke, Finance Manager presented the June 2020 financial reports for the South County Fire & Medical District, the North County Fire & Medical District and the Arizona Fire & Medical Authority and answered any questions from Board Members. Ms. Goke noted that due to COVID-19 the ambulance transport volume is still down, however it does not appear to be as big of a drop as was anticipated. To date, the ambulance revenue is down by approximately \$400,000. Staff is cautiously optimistic at this point, as the ambulance transport volume for June 2020 is showing a slight uptick.

**Committee Member Crawford moved that the Budget and Finance Committee recommend that the South County Fire & Medical District Governing Board, the North County Fire & Medical District Governing Board and the Arizona Fire & Medical Authority Governing Board approve the June 2020 Monthly Financial Reports and account reconciliations per Arizona Revised Statutes including, but not limited to the following: Register of Checks, Warrants, & Deposits; Statement of Financial Activities; Statement of Net Assets; and Cash Flow Projection Report. Committee Chairperson Miller seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Crawford, Miller

NAYS: None

ABSENT: Price

C. Receive update on lease refinancing.

Ms. Goke provided an update on the status of the lease refinancing approved by the Governing Board on June 23, 2020. Since the formal approval in late June, Staff has been working with financial advisors, Stifel, Nicolaus and Co., and our lease counsel, Greenberg, Traurig, LLP to prepare and review the lease documents. These documents will be signed by AFMA Board Members on July 21, 2020. The lease will be finalized and funded on July 24, 2020. The additional capital asset funds will be placed in a local government pool interest bearing account until the appropriate capital projects have been identified and approved by the Governing Board.

Ms. Goke notes that the total financed is \$7.5 million with an interest rate of 2.44%. Annual payments are \$572,663 with the first payment due on June 1, 2021. Present value savings of refinancing to a lower rate is approximately \$247,047.

D. Receive update on Maricopa County CARES Act Fund Request.

Fire Chief Rob Biscoe stated that the original CARES Act did not assign funds to fire districts specifically, which serve to protect the unincorporated areas of the County and thus far have been on their own financially. However, the County agreed that it would not immediately spend all CARES Act funds. Instead, the County chose to set \$175 million aside for the unexpected, such as a possible second wave of the virus. The Authority has been instrumental in starting a process to request CARES Act funds from Maricopa County to assist with a portion of the COVID related expenses. AFMA has provided an expense reimbursement request template to Buckeye Valley Fire District, Sun City Fire District, and Daisy Mountain Fire District. All four entities will be signing a jointly authored letter to the Maricopa County Board of Supervisors to request COVID related expense reimbursements.

In response to an inquiry, Chief Biscoe stated that the Authority has submitted reimbursement requests to the Department of Emergency and Military Affairs and the Federal Emergency Management Agency for equipment, supplies and overtime costs, and to date are still awaiting a response.

E. Receive update on Fire Districts COVID related national funding efforts.

Chief Biscoe stated that Congress is currently discussing the next COVID relief efforts. Arizona Special Districts are actively lobbying Arizona Representatives to increase assistance to Special Districts, and to ensure that Special Districts are named in any future legislation.

Recently, John Flynn, Executive Director, Arizona Fire District Association notified the membership that certain members of the U.S. Senate were preparing a bi-partisan version of H.R. 7073 – Special Districts Provide Essential Services Act, which if passed, would include fire districts in future COVID relief funding efforts. The bill, to be sponsored by Senator Sinema (D-AZ) and Senator Cornyn (R-TX), is expected to be a companion bill to the Senate's COVID relief appropriation bill.

F. Discussion and Possible Action relating to replacement of air conditioning units at Fire Station 104.

Brad Puckett, Division Chief – Support Services, stated that Fire Station 104 is an older modular building that has been repurposed into a fire station which is still operating with the original air conditioning units. These units were manufactured in 2001 and utilize R-22 refrigerant which has been discontinued because of its adverse impacts on the environment. In recent months, the original units have developed slow freon leaks and have been serviced twice at the end of Fiscal Year 2019/20, at a cost of approximately \$2,000. It is anticipated that the leaks will worsen over time and the units will continue to require additional service.

Division Chief Puckett stated that Staff has solicited bids from local vendors to replace these air conditioning units and is recommending the Governing Board purchase the

replacements from Kerr's Comfort Zone. The bid from Kerr's Comfort Zone is the lowest received but also includes ultra-violet (UV) scrubber technology which utilizes UV light to kill germs that pass through the air conditioning system. Including this technology in the new air conditioning units can improve air quality in the fire station.

In response to an inquiry, Division Chief Puckett explained that Fire Station 104 has a total of four air conditioning units, however only two are experiencing problems, the remaining two are not being replaced at this time.

**Committee Chairman Miller moved that the Budget & Finance Committee recommend the Arizona Fire & Medical Authority Governing Board approve the purchase of two air conditioning units for Station 104 from Kerr's Comfort Zone in a total project amount not to exceed \$14,500. Committee Member Crawford seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Crawford, Miller  
NAYS: None  
ABSENT: Price

G. Receive update on existing and planned grant applications.

Deborah Musselman, Administrative Manager provided an update to the Governing Board on the existing and planned grant applications, noting that the Authority has applied for several grants from the Federal Emergency Management Agency (FEMA) Assistance to Firefighter Grant (AFG) for CARES Act as well as cancer exposure reduction programs and wildland urban interface education and awareness programs. In addition, the Authority has applied for a Kiwanis Foundation Sun City West grant to support the Fire PALS Program.

Ms. Musselman noted that Staff is working to submit a grant from Firehouse Subs for a Fire Extinguisher Simulator Training System. This system can be used by the Community Risk Management Division and assist in providing hands-on fire extinguisher training for residents.

3. **SUGGESTED ITEMS FOR FUTURE BUDGET AND FINANCE COMMITTEE MEETING AGENDAS**

There were no suggested items.

4. **ADJOURNMENT**

The meeting adjourned at 2:43 p.m.

*Dawn Miller*

Dawn Miller (Aug 31, 2020 20:25 PDT)

Dawn Miller, Committee Chairperson

# July 21 2020 Minutes - Budget and Finance Committee Meeting

Final Audit Report

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